

265—25.6(16) Financial assistance grants.

25.6(1) *Grant awards.* Financial assistance grants may be awarded based upon the demonstrated need and evidence of business progression. The applicant must provide 50 percent of the equipment or working capital needed to start, expand, or acquire a business as defined in the sources and uses statement form. The applicant may provide the 50 percent through conventional financing or other sources. Working capital may include, but is not limited to, design and printing of marketing materials, advertising, rent (up to six months), direct mail postage, raw materials, inventory, insurance (up to six months), and other start-up, expansion, or acquisition costs. The amount that may be awarded by the program shall be provided in three phases of business operations when each phase meets specified business results, and the need for additional award money is indicated. The timing of each phase and the amount of funds for each phase shall be established in the approved project plan and budget, as reviewed by the business planner and approved by the program manager. It is a goal of the program that program funds assist an applicant in also securing financing from a commercial or private source.

25.6(2) *Approval of sources and uses forms.* The sources and uses form will define specific financial needs for business start-up, expansion, or acquisition. Sources and uses forms shall be provided to an applicant by the counselor following evaluation of the application for the program and the submission and review of the business plan. Completed sources and uses forms shall be submitted to the counselor and the business planner. The counselor, the business planner, and the applicant will meet to review the sources and uses form. Generally, this process shall be completed within 30 days from submission.

25.6(3) *Award process.* Upon the business planner's approval of the sources and uses form, the counselor shall send an applicant a notification letter which shall state the amount and conditions of the award.

25.6(4) *Financial assistance grant contracts.* Contracts for financial assistance grants shall be the responsibility of the IVRS or the IDB and will be consistent with the authorized use of Title I vocational rehabilitation funds and policy.